

Public Assistance Program Integrity/Fraud Prevention Subcommittee September 9, 2004

Attendance:

Rick Zynda, DHFS/DHCF/BEM; Michael Poma, Milwaukee County; Richard Basiliere, Outagamie County DHHS; Gene Kucharski, Portage County; Barry Chase, DHFS/DHCF; Richard Eddings, Dane County, Mary Obermayr, Interstate Reporting Co.; Steve Ploeser, DHFS/DHCF; Fay Simonini, DWD/DWS; Sheila Drays, Dodge County; Gloria Guitan, Milwaukee County; Nancy Foss, DHFS/DHCF.

Phone in attendees:

Jim Borgerson, Douglas County

Meeting called to order at 9:40 a.m. by Rick Zynda.

August minutes were approved with no changes.

DHFS Updates:

- ❖ **Right of First Selection Admin Memo** – Rick handed out a draft, copy of Administrators Memo – 04-04. This memo will be used to determine who counties are going to have administering their Fraud Investigation Services in CY2005 (local agency staff, contract for services, or use state contracted agency – IRC). He stated that the actual memo would be coming out in a week or two. There will be an attachment for response to the Area Administrator with a due date.
- ❖ **LAB Report** - This report is not out yet. LAB is still finalizing information for the report. The draft for DHFS review is expected in September.
- ❖ **Workload & Finance Committee Update** – Mike stated that Cheryl McIlquham said that for 2006 the Division of Health Care Financing was considering rolling FEV funding into the general IM Allocation instead of as a separate allocation. The discussion led into FEV & 2nd Party Reviews. See further details below.

DWD Updates:

- ❖ **Benefit Recovery** - collections year to date. Fay Simonini gave us a handout titled “Total Collections – All Programs SFY 2004”. It broke the collections down between DWD and DHFS.
 - DWD collections were \$3,318,318.20
 - DHFS collections were \$3,782,950.37
 - Total collections were \$7,101,268.57 in collections for 2004.
 - This was an increase from 2003 of \$1,202,707.30.
 - Fay said that the increase was due in part to tax intercepts of Job Access Loans.
- ❖ **Child Care Program Integrity** – Fay informed the group of a meeting that she and Rebecca Brueggeman, DWD, will be attending in Washington DC regarding Child Care Payment Accuracy. It will include 6 states that were involved in a pilot program, their

best practices, and what collection tools they have. The DWD Office of Child Care will be looking at child care cases more in line of second party reviews and not front-end verification. She also pointed out that DWD would be visiting some of the larger counties to look at error rates and trends.

- ❖ **MA Tax Intercept** – Rick indicated that the Department continues to work on administrative alternatives that will meet the legal requirements in the least complex manner.

FEV & 2nd Party Reviews – continued discussion from August –

- ❖ Mike started the discussion off by stating that Cheryl McIlquham feels that there is lack of Program Integrity data to show that it is cost effective. We need to prove why the funding should be separate from the general IM allocation. Mike informed her that the recommendation from our committee is to maintain the separate allocation, to assure that it is being used as intended, for FEV, by local agencies.
- ❖ Gene questioned how folding Program Integrity funding into IM is going to improve our error rate? He also stated that he felt trying to compare 2nd party reviews to FEV's is like comparing apples to oranges. 2nd Party Reviews have nothing to do with stopping client errors or fraud up front. Without investigation or collateral contact, it is only reviewing that proper policies and CARES processes were performed correctly by ESS's (i.e. worker error).
- ❖ Rich went on to say that ESS's determining eligibility and Program Integrity Investigation are mutually exclusive so how can they be combined? ESS's main priority is to make sure benefits are issued – not program integrity. If you combine 2nd Party Reviews and FEV, you will be reviewing fewer cases and the FEV will get lost. He feels that FEV won't be funded by local agencies if the funding is combined.
- ❖ Mike stated that is what we have to prove – how it would be more cost effective and why is keeping them separate more efficient.
- ❖ Fay agreed that we have to be able to prove that FEV's are a cost savings.
- ❖ Rick went on to say that is why we are asking for the input, as there has been discussion about considering combining FEV and 2nd party reviews to complement each other and achieve payment accuracy more efficiently. We need to clearly identify if and/or how the processes are alike and how they differ.
- ❖ Milwaukee County is currently implementing a new 2nd party review process. Rick handed out the form Milwaukee County and State staff used for a review of a large number of Food Stamp cases over the past 4 months, called "Find and Fix". He stated that the State is sending this form out to the counties, urging them to utilize it as a model for 2nd party reviews. Mike stated that they had 8 – 10 staff members who were dedicated to the Find and Fix along with some state staff and the PAC team. He said that this effort has brought their error rate down dramatically and that they now are able to inform their workers of the error prone areas and what to focus on. He compared attendance and training records of workers and found that there was a correlation between that and error rates. Mike reminded the group that the requirement for program integrity (FEV) is still needed to help reduce errors.

- ❖ Rick stated that the state is going to be pulling a CARES sample of cases with more than 2 people in the household, and cases with more than \$100 in monthly Food Stamp benefits for the local agencies to pick their 2nd party reviews from.
- ❖ Because of program simplification for FS, we won't be seeing the errors that we did before; now the State seems to be focusing more on MA QC and Child Care error rates, due to much larger expenditures in these programs. Nancy Foss indicated that there are new federal regulations requiring states to reinstitute MA QC (2000 cases to be reviewed per year), as there is concern at the federal and state level for increasing Medicaid program integrity efforts.
- ❖ Fay said that the committee may need to start advocating more to have program integrity added to new worker and continued worker training. We need to emphasize to new workers why it is important and what to look for. This would be a way to do something proactive within our given budget. The same philosophy needs to be stressed with experienced workers, supervisors, and administrators of local agencies.
- ❖ Rick and Mike will be reporting our recommendations to the full IMAC meeting this month.

Next meeting – October 14 – WI Department of Agriculture Building – 9:30 am – 12:00 p.m.
Minute taker – Chloe Bodine

By Sheila Drays